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GRAHAM COUNTY ELECTRIC COOPERATIVE, INC.
PIMA, ARIZONA

RULES AND REGULATIONS

APPROVED FOR FILING
DECISION #: 58437

GRAHAM COUNTY ELECTRIC COOPERATIVE, INC.

RULES AND REGULATIONS

PART I. COOPERATIVE MEMBERSHIP

A. APPLICATION FOR MEMBERSHIP

1. APPLICATION FORM

A membership application card shall be signed, acknowledging the Consumer's agreement to pay the required membership fee plus any applicable taxes and to observe such lawful rules, regulations, policies, rates and schedules of the Cooperative as are now in force or ~~may~~ hereafter be in force and as are filed and approved by the ACC.

2. OBLIGATIONS OF MEMBER

In addition to the provisions of these Rules, each member shall be bound by the Articles of Incorporation and By-Laws of the Cooperative, as the ~~same may~~ be amended from ~~time to time~~.

3. MEMBERSHIP FEE

The membership fee shall be \$5.00, upon the payment of which a member shall be eligible for one service connection.

4. MEMBERSHIP LIMIT

No Consumer ~~may~~ hold more than one membership and a personal membership shall be held jointly by both husband and wife unless specified to the contrary in writing by both spouses to the Cooperative or unless the Cooperative is given satisfactory evidence that the property of a spouse which is to receive service is the sole and separate property of such spouse.

5. MEMBERSHIP CERTIFICATE

Membership in the Cooperative shall be evidenced by a membership certificate in accordance with the Cooperative By-Laws, and shall be non-transferable.

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PART II. ESTABLISHMENT OF SERVICE

A. APPLICATION FOR ELECTRIC SERVICE

1. APPLYING FOR ELECTRIC SERVICE

Graham County Electric may require a new applicant for service to appear at Graham County Electric's offices at 3 West Center, Pima, Arizona, to produce proof of identity and sign the appropriate application form or contract before service establishment.

2. APPLICATION FORM

The application for service form may require but not necessarily be limited to the following information:

- a. Name or names of applicant(s).
- b. Service address or location and telephone number.
- c. Billing address/telephone number, if different than service address.
- d. Address where service was previously provided.
- e. Date applicant will be ready for service.
- f. Statement as to whether premises have been previously supplied with electric service, and if so, date service was discontinued and the reason therefore.
- g. Purpose for which service is used.
- h. Statement as to whether applicant is owner, tenant or agent for the premises.
- i. Information concerning the energy and demand requirements of the consumer.
- j. Type and kind of life support equipment, if any, or to be used by the consumer in the future.

3. SERVICE REQUESTED BY TWO INDIVIDUALS

Where service is requested by two or more individuals, the Cooperative shall have the right to collect the full amount owed to the Cooperative from any one of the applicants.

4. NO SIGNED APPLICATION

In the absence of a signed application or contract for service, the supplying of electric service by the Cooperative and the acceptance thereof by the consumer shall be deemed to constitute an agreement by and

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between the Cooperative and consumer for furnishing and receiving electric service under the Cooperative's applicable rates, minimums and provisions for making electric service available.

B. DEPOSITS

1. DEPOSIT REQUIREMENTS

The Cooperative will not require a deposit from a new applicant for residential service if the applicant is able to meet any of the following requirements:

- a. The applicant has had service of a comparable nature with the Cooperative within the past two (2) years and was neither delinquent in payment more than twice during the last twelve (12) consecutive months of service or disconnected for nonpayment.
- b. The applicant can produce a letter regarding credit or verification from an electric utility where service of a comparable nature was last received which states applicant had **a timely** payment history at and prior to the time of service discontinuation.
- c. In lieu of a deposit, a new applicant **may** provide a Letter of Guaranty from an existing customer with service and acceptable to the Cooperative or a surety bond as security.

2. RECEIPT

The Cooperative shall issue a non-negotiable receipt to the applicant for the deposit. The inability of the consumer to produce such a receipt shall in no way impair his right to receive a refund of the deposit which is reflected on the Cooperative's records.

3. INTEREST ON DEPOSITS

The Cooperative will pay six percent (6%) interest on deposits from the date of deposit until the date of settlement or withdrawal of deposit. Where such deposit remains for a period of one year or more and the person making the deposit continues to be a customer, the interest on the deposit at the end of the year shall be applied to the depositor's account.

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4. **REFUNDS OF DEPOSITS**

- a. upon discontinuance of service, the Cooperative will refund any balance of the deposit, plus applicable interest, in excess of unpaid bills. The Cooperative will return any credit balance by check directly to the consumer or mailed to the last known address.
- b. After a residential consumer has, for twelve (12) consecutive months, paid all bills prior to becoming delinquent, the Cooperative shall deem such customer to have satisfactorily established credit and the deposit **may** be refunded.

5. **REESTABLISH DEPOSIT**

The Cooperative **may** require a consumer to establish or reestablish a deposit if the customer becomes delinquent in the payment of three (3) or more bills within a twelve (12) consecutive month period or has been disconnected for service during the last twelve (12) months.

6. **AMOUNT OF DEPOSIT**

The amount of a deposit required by the Cooperative shall be determined according to the following terms:

- a. Residential Consumer deposits **may** be equal to no more than **two times** that Consumer's estimated average monthly bill.
- b. Non-residential Consumer deposits **may** be equal to two and one-half (2 1/2) **times** that Consumer's estimated average monthly bill.

7. **DEPOSIT ADJUSTMENT**

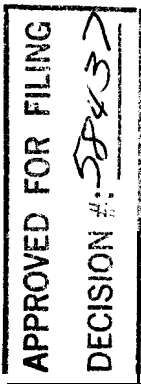
The Cooperative **may** review the consumer's usage after service has been connected and adjust the deposit amount based upon the consumer's actual **usage**.

8. **DEPOSIT PER METER**

A separate deposit **may** be required for each meter installed.

9. **DEPOSITS AND SERVICE SUSPENSION**

Consumer deposits shall not prevent the Cooperative from terminating the agreement for service with a consumer or suspending service for any failure in the performance of consumer



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obligations under the agreement for service of any violation of the Cooperative's Rules and Regulations in effect from time to time as approved by the Arizona Corporation Commission.

C. GROUNDS FOR REFUSAL OF SERVICE

1. REFUSAL OF SERVICE

The Cooperative may refuse to establish service if any of the following conditions exist:

- a. The applicant is indebted to the Cooperative in respect to an account for electric service or service calls with the Cooperative, and the applicant has not made arrangements satisfactory to the Cooperative for payment.
- b. A condition exists which, in the Cooperative's judgement, is unsafe or hazardous to the applicant, the general population, or the Cooperative's personnel or facilities.
- c. Refusal by the applicant to provide the Cooperative with a deposit when the consumer has failed to meet the credit criteria for waiver of deposit requirements.
- d. Consumer is known to be in violation of the Cooperative's tariffs filed with the Commission.
- e. Failure of the consumer to furnish such funds, service, equipment, and/or rights-of-way necessary to serve the Consumer and which have been specified by the utility as a condition for providing service.
- f. Applicant falsifies his or her identity for the purpose of obtaining service.
- g. Applicant is in violation of these rules any applicable rule or regulation of the ACC or any applicable law, or is in default as to any prior agreement between the applicant and the Cooperative.

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D. SERVICE ESTABLISHMENTS, **REESTABLISHMENTS** OR RECONNECTIONS

1. CHARGES

- a. The Cooperative's charges for establishment, reestablishment, or reconnection of electric services shall be in accordance with the appropriate tariffs as approved by the Commission.
- b. Should service be established during a period other than regular working hours at the consumer's request, the consumer may be required to pay an after-hour charge for the service connection. Where the Cooperative's scheduling will not permit service establishment on the same day requested, the consumer can elect to pay the after-hour charge for establishment that day or his service will be established on the next available normal working day.
- c. For the purpose of this Rule, the definition of service establishment is consumer's facilities that are ready and acceptable to the Cooperative and the Cooperative needs only to install a meter, read a meter, or turn the service on.

2. PRIORITY AND TIMING OF SERVICE ESTABLISHMENTS

- a. After an applicant has complied with the Cooperative's application and deposit requirement and has been accepted for service by the Cooperative, the Cooperative shall schedule the consumer for service establishment.
- b. Service establishments shall be scheduled for completion within five (5) working days of the date the consumer has been accepted for service, except in those instances when the consumer requests service establishment beyond the five (5) working day limitation.
- c. When the Cooperative has made arrangements to meet with a consumer for service establishment purposes and the Cooperative or the consumer cannot make the appointment during the prearranged time, the Cooperative shall reschedule the service establishment to the satisfaction of both parties.

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- d. The Cooperative shall schedule service establishment appointments within a maximum of four (4) hours during normal working hours, unless another time frame is mutually acceptable to the Cooperative service personnel.
- e. Service establishment shall be made only by qualified Cooperative Service personnel.

E. TEMPORARY SERVICE

1. **TEMPORARY SERVICE PAYMENT REQUIREMENTS**
Applicants for temporary service may be required to pay the Cooperative in advance of service establishment, a contribution in aid of construction, based on the estimated cost of installing and removing the facilities, less any salvage, necessary for furnishing the desired service.
2. **TEMPORARY SERVICE - LESS THAN ONE MONTH**
Where the duration of service is to be less than one month, the applicant may also be required to advance a sum of money equal to the estimated bill for service.
3. **TEMPORARY SERVICE - MORE THAN ONE MONTH**
Where the duration of service is to exceed one month, the applicant may also be required to meet the deposit requirements of the Cooperative.
4. **CHANGE OF OPERATIONS**
If at any time during the term of the agreement for temporary services the character of a temporary consumer's operations changes so that, in the opinion of the Cooperative, the consumer is classified as permanent, the terms of the Cooperative's line extension rules shall apply.

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PART III. MINIMUM CUSTOMER INFORMATION REQUIREMENTS

A. INFORMATION FOR CONSUMERS

1. RATE SCHEDULES

The Cooperative shall make available upon consumer request, not later than sixty (60) days from date of request, a concise summary of the rate schedule applied for by such consumer. The summary shall include the following:

- a. The monthly minimum or consumer charge, identifying the amount of the charge and the specific amount of usage included in the minimum charge, where applicable.
- b. Rate block, where applicable.
- c. Any adjustment factor(s) and method of calculation.
- d. Demand charge, if applicable.

2. TARIFFS, RULES AND REGULATIONS

In addition, the Cooperative shall make available upon consumer request, not later than sixty (60) days from date of service commencement, a concise summary of the Cooperative's tariffs or the Commission's Rules and Regulations concerning:

- a. Deposits
- b. Termination of service
- c. Billing and collection
- d. Complaint handling

3. RECORD OF CONSUMPTION

The Cooperative upon request of a consumer shall, not more than once each calendar year, transmit a written statement of actual consumption by such consumer for each billing period during the prior twelve (12) months unless such data is not reasonably ascertainable.

4. CONSUMER RIGHTS

The Cooperative shall inform all new consumers of their right to obtain the information specified above.

B. INFORMATION DUE TO CHANGES IN TARIFFS

1. CHANGE ON TARIFFS

The Cooperative shall transmit to consumers a concise summary of any change in the Cooperative's tariffs affecting those consumers.

2. TIME REQUIREMENT

Any changes in tariffs shall be transmitted to the affected consumer within sixty (60) days of the effective date of the change.

PART IV. MASTER METERING

A. MOBILE HOME PARKS - NEW CONSTRUCTION/EXPANSION

1. INDIVIDUALLY METERED

The Cooperative shall have the right to refuse service to all new construction and/or expansion of existing permanent residential mobile home parks unless the construction and/or expansion is individually metered by the Cooperative. Line extensions and service connections to serve such expansion shall be governed by the Line Extension and Service Connection Policy of the Cooperative.

2. PERMANENT PARKS

Permanent residential mobile home parks for the purpose of this Section shall mean mobile home parks where, in the opinion of the Cooperative, the average length of stay for an occupant is a minimum of six months.

3. EXPANSION DEFINITION

For the purposes of this Section, expansion means the acquisition of additional real property for permanent residential spaces in excess of that existing at the effective date of this rule.

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B. RESIDENTIAL APARTMENT COMPLEXES, CONDOMINIUMS, AND OTHER MULTI-UNIT RESIDENTIAL BUILDINGS

1. MASTER METERING EXCEPTION

Master metering shall not be allowed for new construction of apartment complexes and condominiums unless the building(s) will be served by a centralized heating, ventilation and/or air conditioning system and the contractor can provide to the cooperative an analysis demonstrating that the central unit will result in a favorable cost/benefit relationship.

2. COST BENEFIT ANALYSIS

At a minimum, the cost/benefit analysis should consider the following elements for a central unit as compared to individual units:

- a. Equipment and labor costs
- b. Financing costs
- c. Maintenance costs
- d. Estimated KWH usage
- e. Estimated KW demand on a coincident demand and non-coincident demand basis (for individual units)
- f. Cost of meters and installation
- g. Consumer account cost (one account vs. several accounts)

PART V. SERVICE LINES

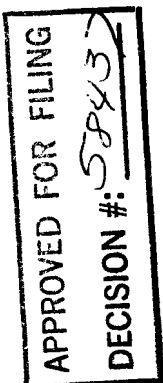
A. CONSUMER PROVIDED FACILITIES

1. APPLICANT RESPONSIBILITY

Each applicant for service shall be responsible for all inside wiring, the service entrance and meter socket.

2. METER LOCATION

Meters and service switches in conjunction with the meter shall be installed in a location where the meters will be readily and safely accessible for reading, testing and inspection and where such activities will cause the least interference and inconvenience



to the consumer and Cooperative. The consumer shall provide, without cost to the Cooperative, at a suitable and easily accessible location, sufficient and proper space for installation of meters.

3. **METER/SERVICE LINE ALTERATIONS/CHANGES**
Where the meter or service line location on the consumer's premises is changed at the request of the consumer or due to alterations on the consumer's premises, the consumer shall provide and have installed at his expense all wiring materials and equipment necessary for relocating the meter and service line connection and the Cooperative may make a charge not to exceed actual cost for moving the meter and/or service line.

B. COOPERATIVE PROVIDED FACILITIES

1. **MAXIMUM FOOTAGE AND/OR EQUIPMENT ALLOWANCE**
The investment and/or free footage allowance is set forth in these Rules. The maximum investment and/or free footage allowance will be provided by the Cooperative to the consumer. Maximum investment and/or free footage allowance may be differentiated by customer class.
2. **FOOTAGE IN EXCESS OF ALLOWANCE**
The cost of any service line in excess of the size allowed at no charge shall be paid for by the consumer as contribution in aid of construction.
3. **UNDERGROUND REQUESTED IN OVERHEAD AREA**
A consumer requesting an underground distribution line or service line in an area served by overhead facilities shall pay for the difference between a non-chargeable overhead connection and the actual cost of the underground connection as a non-refundable contribution.
4. **OVERHEAD REQUESTED IN UNDERGROUND AREA**
A consumer requesting an overhead distribution line or service line in an area served by underground facilities shall pay the difference between a non-refundable underground connection and the actual cost of the overhead connection as a non-refundable contribution.

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C. EASEMENTS AND RIGHTS-OF-WAY

1. CONSUMER RESPONSIBILITY TO GRANT

Each consumer shall grant adequate easement and right-of-way satisfactory to the utility to ensure that consumer's proper service connection. Failure on the part of the consumer to grant adequate easement and right-of-way shall be grounds for the utility to refuse service.

2. CONSUMER FACILITIES IN RIGHT-OF-WAY/POSING HAZARD

When the Cooperative discovers that a consumer or his agent is performing work or has constructed facilities adjacent to or within an easement or right-of-way and such work, construction or facility poses a hazard or is in violation of federal, state or local laws, ordinances, statutes, rules or regulations, or significantly interferes with the Cooperative's access to equipment, the Cooperative shall notify the consumer or his agent and shall take whatever actions are necessary to eliminate the hazard, obstruction or violation at the consumer's expense.

VI. LINE EXTENSION

A. GENERAL REQUIREMENTS

1. LINE EXTENSION TARIFF

The Cooperative shall file for Commission approval a line extension tariff which incorporates the provisions of this Rule and specifically defines the conditions governing line extensions.

2. PRELIMINARY SKETCH/COST ESTIMATE

Upon request by an applicant for a line extension, the Cooperative shall prepare without charge, a preliminary sketch and rough estimates of the cost to be paid by the applicant.

3. NON-REFUNDABLE DEPOSIT

Any applicant for a line extension requesting

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the Cooperative to prepare detailed plans, specifications, or cost **estimates**, **may** be required to deposit with the Cooperative an amount equal to the estimated cost of preparation. The Cooperative shall, upon request, make available within ninety (90) days after receipt of the deposit referred to above, such plans, specifications, or cost **estimates** of the proposed line extension. Where the applicant authorizes the Cooperative to proceed with the construction of the extension, the deposit shall **be** credited to the cost of construction; otherwise the deposit shall be non-refundable. If it is necessary to oversize or route the extension for the convenience of the Cooperative's **system**, the additional cost of oversizing or routing the facilities shall be done at the Cooperative's expense. Proposed subdivisions with approved plats requiring electric service shall be given plans, specifications of cost **estimates** within forty-five (45) days after subdivider pays a deposit as referred to above.

4. COPY OF EXTENSION AGREEMENT

When the Cooperative requires an applicant to advance funds for a line extension, the Cooperative will furnish the applicant with a copy of the line extension agreement.

5. IN WRITING/SIGNED BY BOTH PARTIES

All line extension agreements requiring payment by the applicant shall be in writing and signed by both parties.

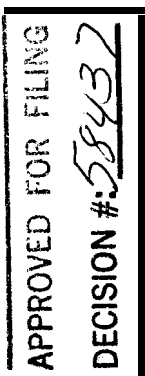
6. PERMANENT CONSUMERS

The provisions of this policy shall apply only to those applicants who in the Cooperative's judgment will be permanent consumers.

B. MINIMUM WRITTEN AGREEMENT REQUIREMENTS

1. INFORMATION INCLUDED

- a. Name and address of applicant.
- b. Proposed service address and location.
- c. Description of requested service.
- d. Description and sketch of the requested line extension.
- e. **A cost estimate to** include materials, labor and other costs as necessary.
- f. Payment terms.
- g. A concise explanation of any refunding



- provisions, if applicable.
- h. The Cooperative's estimated starting and completion date for construction of the line extension.
 - i. A summary of the results of the economic feasibility analysis performed by the Cooperative to determine the amount of advance required from the applicant for the proposed line extension.

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